

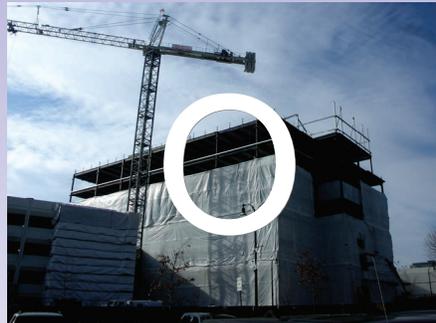
# Economic Development: 2011 Year in Review

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# INTRODUCTION

Now more than ever the City of Worcester is on the move! This was evident by the major construction projects underway in 2011. From infrastructure improvements, to demolition of vacant underutilized structures, to the construction of new state-of-the-art buildings, the heart of the Commonwealth is forever transforming itself.

While in 2010, the City Administration achieved historic milestones by setting the stage for the commencement of multi-million dollar redevelopment projects, in 2011 these projects were well underway and are now showing the world a glimpse of the new Worcester skyline. These projects include the construction of new commercial buildings at CitySquare, Gateway Park, and the Massachusetts College of Pharmacy and Health Sciences (MCPHS).

The CitySquare project, located in the heart of the downtown, was fully underway with the demolition of the former Worcester Common Fashion Outlets nearly finished and the steel framing of Unum Group's office building fully completed. This building is known as Building H, a 200,000SF office building and the product of an \$85 million investment. It is expected to create more than 300 construction jobs. Additionally, Unum Group will invest approximately up to \$25 million into the design and tenant fit-out of its new building, retaining 700 jobs and creating 50 net new jobs. Plans were also underway to construct a second building, a 65,000SF building to be occupied by Saint Vincent Hospital to operate its new comprehensive cancer center. The new center is expected to represent a more than \$21 million capital investment by Saint Vincent Hospital.

Further north in the city's downtown, a 92,000SF laboratory/office building at Gateway Park was also under construction in 2011. This \$32 million construction project is anticipated to create 130 construction jobs and a minimum of 40 permanent, full-time jobs. Also in the North Main Street area, construction was underway on a six-story building at the MCPHS' Lincoln Square Living & Learning Center (formerly Crowne Plaza Hotel). The new building is expected to host a new optometry program as well as additional classroom, study, office, and conference spaces, as the MCPHS continues to expand its footprint in the downtown.

But new construction projects went well beyond the City's downtown in 2011. Other noticeable projects in the City included the ongoing construction of a new CSX facility, which is expanding its operations in Worcester as part of an economic development project aimed at increasing commuter and freight rail options to the City and region. CSX is modernizing and expanding its intermodal freight rail in Worcester with an investment of approximately \$100 million. Another important construction project included the continued development of Worcester Crossing, a former 44-acre brownfield site. This site is now the home of a number of the country's major retailers including Wal-Mart and Olive Garden. Construction is also underway on a Sam's Club, a new gas station, and additional smaller commercial units.

In 2011, the City's higher education institutions also played a big role in changing the City's landscape. UMass Medical School continued the construction of the Albert Sherman Center, a nine-story, 500,000SF, \$405 million center for cellular and gene research. The College of the Holy Cross opened a 156-bed townhouse-style residence at a project cost of \$20 million. Worcester Polytechnic Institute (WPI) continued the ongoing construction of a 140,000SF Sports and Recreation Center. This new building will include a four-court 29,000SF gym, a 25-meter competition-length swimming pool, and space for large-scale events. Finally, as previously mentioned, MCPHS is constructing a six-story commercial building at the former Crowne Plaza Hotel.

As the City of Worcester continues to overcome the many challenges caused by the economic recession, it remains strong as it moves forward into 2012. In 2011, over 2,963 building permits were issued, totaling an estimated value of \$173 million in both residential and commercial renovations and new construction. This constitutes a substantial increase in activity from 2010, which recorded 2,600 building permits at an estimated value of \$157 million.

Worcester also welcomed a mix of exciting new commercial establishments, including Nuovo Restaurant, Zorba's Taverna, Woo Berry, Still and Stir, Anytime Fitness, and Aldi Food Market. The following pages provide a sampling of the progress Worcester made in 2011. We look forward to working with the Worcester City Council in 2012 on a number of initiatives that will support our collective economic development agenda.

# FOOD & ENTERTAINMENT

*As Worcester continued to grow its appeal for entertainment, dining, retail, and other commercial activities, it welcomed a wide range of new options in many of its commercial corridors. The following two pages provide a sampling of the various venues that opened their doors in 2011. This partial list of new commercial establishments further extends the variety of venues that Worcester has to offer:*

- Windy Donuts**, Main Street
- Extreme Restaurant**, Main Street
- Hacienda Don Juan Restaurant**, Main Street
- Pho 54 Restaurant**, Stafford Street
- Rice Garden**, Park Avenue
- Mai Tai Restaurant**, Green Street
- Haiku Sushi Restaurant**, Park Avenue
- Café Manzi's**, Shrewsbury Street
- Keiko Karaoke**, Main Street
- Noameso Bar**, Main Street
- Café Espresso**, Chandler Street
- Worcester House of Pizza**, Chandler Street
- Kyoto Steak-Seafood**, Lincoln Street
- Fried Chicken**, Lincoln Street
- Nuovo Restaurant**, Shrewsbury Street
- The Sisha Room**, Shrewsbury Street
- Kennedy Fried Chicken**, Belmont Street
- Hirosaki Prime Steak House**, Grafton Street
- Golden Wok**, Grafton Street
- Amici Trattoria**, Shrewsbury Street
- Still and Stir**, Commercial Street
- Bar 2011**, Shrewsbury Street
- New Chef Ho Restaurant**, Millbury Street
- Patsie Dugan's**, Millbury Street
- The Original Village Pizza**, Greenwood Street
- Ole Restaurant**, Water Street
- Mista Pizza**, Canterbury Street
- JP's Café**, Park Avenue
- Woo Berry Frozen Yogurt**, Highland Street
- Overtime Tap**, Front Street
- Rosalina's Kitchen**, Hamilton Street
- Shangri-La Restaurant**, Madison Street
- Kenichi Asian Bistro**, Shrewsbury Street
- Yoway Asian Bistro**, Park Avenue
- Mixers**, Water Street



# RETAIL & COMMERCIAL

**Jocks and Jills**, Shrewsbury Street  
**Rollstone Bank and Trust**, East Central Street  
**Arelis Beauty Supply**, Main Street  
**Mia's Auto Detail**, Main Street  
**California Nail**, Main Street  
**Mid Day Fashion**, Main Street  
**Bienestar Familiar**, Main Street  
**Fashion Paradise**, Main Street  
**Pacheco's Auto Body**, Main Street  
**Eric's Alterations**, Stafford Street  
**Webster Square Vision Center**, Stafford Street  
**JR Real Estate**, Shrewsbury Street  
**Flori's Auto Service**, James Street  
**The Clayground**, James Street  
**Tete's Variety**, Main Street  
**Trend Setters**, Park Avenue  
**Bayon Jewelry**, Park Avenue  
**Straight Smiles**, Park Avenue  
**Mocine Salon and Spa**, Park Avenue  
**La Cucina Studios**, Pleasant Street  
**Albaraka Market**, Pleasant Street  
**Jaidin Grocery Store**, Pleasant Street  
**Pleasant Mini Market**, Pleasant Street  
**Carsmetics**, Gold Star Boulevard  
**Metro West Yoga**, Gold Star Boulevard  
**Commerce Bank**, Lincoln Street  
**Fidelity Bank**, Shrewsbury Street  
**Anytime Fitness**, Shrewsbury Street  
**Long Island Ink**, Franklin Street  
**Indian Food and Convenience Store**, Belmont Street  
**Popcorn Market**, Belmont Street  
**Rice Square Alterations**, Grafton Street  
**Cute Smiles**, Grafton Street  
**HeadShope Hair Factory**, Millbury Street  
**Fabulous Nails**, Millbury Street  
**Community Realty**, Highland Street  
**Friendly Nails**, Main Street  
**Flash House Studios**, Water Street



# DEVELOPMENT

*From all corners of the city, we continued to see progress in commercial, cultural, higher education, manufacturing, and residential development. Below and on the following pages are some of the most significant development projects that have continued to change the city's landscape.*



## CITY SQUARE

Work continued at CitySquare with the demolition of the former Worcester Common Fashion Outlets mall and portions of the garage, as well as the construction of a 200,000SF building and plans to construct a 65,000SF building. The first building under construction, known as Building H, is a product of an \$85 million investment and will house Unum Group. The second building, which broke ground in 2011, will be occupied by St Vincent Hospital to operate its new comprehensive cancer center. The new center will represent a \$21 million capital investment by Saint Vincent Hospital.



## GATEWAY PARK

O'Connell Development Group Inc. continued its construction of the new, four-story 92,000SF office/laboratory building at Gateway Park. At full occupancy, the building is expected to create a minimum of 40 new jobs. The anticipated total project cost is \$32 million.



## THEATRE DISTRICT PARTNERSHIP

The City of Worcester and Worcester Business Development Corporation moved forward with their Theatre District Partnership. New Garden Park, Inc., a subsidiary of the Worcester Business Development Corporation, recently purchased the Telegram & Gazette property at 18-20 Franklin Street. This redevelopment includes the renovation of the building and surrounding parking lots located in the heart of the downtown.



## CSX

Construction was underway to modernize and expand CSX's intermodal freight rail in Worcester with an investment of over \$100 million. The construction of the facility will generate 200 construction jobs. Operation of the new terminal is planned for late 2012.



## WORCESTER CROSSING

While Super Wal-Mart Center and Olive Garden opened their doors in 2010, construction continued at Worcester Crossing in 2011 on a new 137,000SF retail building, which will house a Sam's Club (relocation from existing Worcester location), a new gas station, and a number of new smaller commercial spaces for additional retailers. Sam's Club is expected to open in spring 2012.

# HIGHER EDUCATION

The City of Worcester has always been a smart city and a smart choice for those pursuing a degree in higher education. With thirteen (13) colleges and universities within Greater Worcester, the city continues to be a major force in educating generations that will become the professionals of tomorrow. The projects described below are proof that these colleges are committed to investing in Worcester as they expand in all areas, including professional jobs, student enrollment, and square footage.



## **MASSACHUSETTS COLLEGE OF PHARMACY AND HEALTH SCIENCES WORCESTER**

MCPHS expansion in Downtown Worcester continued in 2011. Construction was underway for a six-story building at the Lincoln Square Living & Learning Center (formerly Crowne Plaza Hotel), recently acquired by MCPHS. The building is expected to host a new optometry program as well as additional classroom, study, office, and conference spaces.



## **UMASS MEDICAL SCHOOL**

In 2011, construction of the Albert Sherman Center, a nine-story, 500,000SF, \$405 million center for cellular and gene research, was underway and is scheduled to open in 2012.



## **WORCESTER POLYTECHNIC INSTITUTE (WPI)**

Construction was well underway for a new \$53.2 million, 140,000SF Sports and Recreation Center, to be completed in Fall 2012. The new building will feature a four-court 29,000SF gymnasium, 11,000SF fitness space, a 25-meter competition-length swimming pool, three-lane jogging track, racquetball and squash courts, rowing tanks, workout studios, and space for large-scale events such as robotics competitions.



## **COLLEGE OF THE HOLY CROSS**

The College of the Holy Cross continued to work with the City to identify opportunities to strengthen the neighborhood, including additional housing for students. A 156-bed townhouse-style residence hall was completed in 2011. At a project cost of \$20 million, this 58,000SF building incorporates technology and techniques in order to achieve LEED Certification from the U.S. Green Building Counsel.

# MANUFACTURING DEVELOPMENT

*As the nation battles an economic recession, which has crippled many sectors of the economy, the City of Worcester has helped pave the way for new manufacturers to expand or relocate in the city. These new manufacturers are creating high paying jobs for Worcester residents in an industry that has lost too many to global competition. Below are some of the manufacturers that were new to the city in 2011:*



## **INSIGNIA ATHLETICS**

Located at 60 Fremont Street, Insignia Athletics is an American-made premium high performance, high style baseball glove and wood bat manufacturing company. Insignia specializes in custom personalized equipment delivered quickly. Insignia's products are currently sold at Sports Authority and numerous other national and regional sporting goods supply stores.

## **TECHNOLOGY CONTAINER CORPORATION**

Technology Container Corporation is the world's largest producer of reusable corrugated boxes. The company relocated its operations from Shrewsbury to a 137,000SF manufacturing building at 207 Greenwood Street in Worcester, thus investing approximately \$1 million in building improvements and creating new manufacturing jobs.



## **MAGMOTOR TECHNOLOGIES, INC.**

Magmotor Technologies, Inc., a company which specializes in providing electromechanical motion control solutions to equipment manufacturers, moved its manufacturing operations from West Boylston to a 43,000SF industrial building at 10 Coppage Drive. The company plans to construct a 30,000SF addition to the property within the next two years to accommodate its growing business.



## **THERMOENERGY CORPORATION**

ThermoEnergy Corporation, a company that provides environmentally responsible solutions for air and water pollution problems by focusing on helping clients succeed with efficient, cost effective wastewater treatment and power generation technologies, moved its corporate headquarters from Little Rock, Arkansas to 10 New Bond Street and completed a 28,000 SF expansion to its manufacturing facility.



# RESIDENTIAL DEVELOPMENT

*The City of Worcester supported housing rehabilitation and new construction projects, which helped provide additional quality affordable and market-rate housing alternatives to Worcester residents. Below is a sampling of private as well as public/private residential projects that are now enhancing the city's residential stock.*



## **MAYO GROUP**

In 2011, the Mayo Group, a residential and commercial real estate firm, began redeveloping the former Bancroft Motors property on Portland Street to give way to approximately 80 new units of market-rate housing.



## **CANAL LOFTS**

The former Chevalier Furniture Building, a 90,000SF, four-story structure, was completed in 2011, thus providing 64 new mixed-income residential units.



## **VOKE SCHOOL PROPERTIES**

The deeds for Voke School Buildings B & C transferred from the City to New Garden Park Inc. In 2011, environmental remediation efforts were underway as well as the demolition of some of the structures at the site. Proposed plans include the development of 86 mixed-income rental housing units.



## **GARDNER KILBY HAMMOND**

Work on the development of 80 units of workforce homeownership housing is underway as a component of this project. To date, 60 units have been completed or are under construction, and Federal and State funding was announced in October 2011 to construct the final 20 units proposed for this \$32 million neighborhood redevelopment initiative.

# CULTURAL DEVELOPMENT

In 2011, the Worcester Cultural Coalition, in partnership with the City of Worcester, spearheaded an increasing number of cultural development activities that have successfully contributed to the more than 2.5 million people visiting Worcester last year. This success is attributed to a variety of activities that have effectively promoted Worcester's creative economy. These efforts include cultural initiatives—creation, promotion, and delivery of cultural events—and raising awareness as well as encouraging participation in arts and culture activities. From street festivals to chamber concerts to the opening of new galleries and film making, Worcester is the creative city with an urban energy!



- WOO Card, the creative card for Worcester County, markets the cultural, arts, hospitality, and creative sector to the general public and college students, offering discounts and special events at more than fifty Worcester-area destinations. WOO Card, coordinated by the Worcester Cultural Coalition, has more than 11,700 active subscribers.
- Traffic to [www.worcestermass.org](http://www.worcestermass.org) in 2011 was up nearly 40% over calendar year 2010. 133,962 absolute unique visitors made nearly 600,000 page views, drawing some 177,675 visits from 159 countries and territories. The Worcester Cultural Coalition homepage continued as second behind the main home page in terms of top visits, with the WOO Card pages seeing a jump in visits of more than 50% over calendar year 2010. The Worcester Cultural Coalition bi-weekly newsletter promotes the diverse cultural and entertainment activity of the city and reaches over 11,700 subscribers. The cultural Facebook and Twitter outreach initiatives engage fans and friends in the cultural life of the city and region.
- The Worcester Arts Council awarded some \$77,000 in grants to 45 Worcester-based artists and organizations in arts, sciences, and humanities for calendar year 2012, supporting the popular Art in the Park exhibition at Elm Park and inaugurating the Worcester Mural Project.
- *Out to Lunch summer concert series* on Worcester Common was produced by the City, with support from the Worcester Cultural Coalition and Worcester Regional Chamber of Commerce, and featured local artists, farmers, crafters, and food vendors. stART on the Street art festival engaged significantly more than 30,000 visitors and First Night Worcester and the Latin American Festival drew new audiences. Worcester Filmworks featured three evenings of films and live performances on Worcester Common during the summer. MassRemembers: Voices of Hope 9/11 commemoration in Institute Park featured over 1000 voices and hundreds of service providers honoring those who serve our country.
- Worcester Windows includes 13 locations throughout downtown Worcester featuring the works of Worcester County artists. Artists continue to sell their works and property owners are featured in the Windows promotions.

# FAST FACTS & RECOGNITIONS

Population:	181,045
Population within 50 sq/miles:	6+ million
2010 Area Median Family Income (Family of 4):	\$79,900
No. of Worcester-based Businesses (2007):	4,888
Payroll of Worcester Employers:	\$4.8 billion
Downtown Office Space:	4.75 million SF
Class A Office Occupancy	84%
FY11 Residential Tax Rate	\$16.06 per \$1,000
FY11 Commercial Tax Rate	\$34.65 per \$1,000
Colleges of Greater Worcester:	13
Annual Student Population:	30,000+
Certified Projects Designated	50+
Number of Daily Trains between Worcester and Boston:	13
No. of Hotel Rooms	766
WRTA Annual Passenger Trips:	3.04 million

## MSN Real Estate

Identified the City of Worcester as one of the top 5 most promising residential real estate markets in the years ahead, as well as one of the top 5 housing markets in the nation (2012)

## Kiplinger

Ranked the City of Worcester 6th among the nation's 12 best cities for high paying jobs (2012)

## Wall Street Journal

#7 MSA in United States - Brain Gainers

## Boston Business Journal

#3 MSA in United States for Job Creation

## The Atlantic Monthly

#3 MSA in United States for Real Income

## Brookings Institution Metropolitan Policy Program

**The Worcester MSA boasted the #1 increase in the nation in both educational attainment (6.1% increase) and median household income (8.2% increase) from 2000 to 2008 (2010)!**

## CareerBliss.com

2nd Happiest City to Work In (2012)

Worcester among 19 "Skilled Anchor" areas characterized as boasting higher-than-average levels of educational attainment (2010)